WHAT IS NAUPA 3?

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WHAT WE WILL COVER

- History
- Why change is needed
- New format
- Implementation
- Next steps

HISTORY OF THE NAUPA FORMAT

- The initial NAUPA standard was focused only on codes
  - Property Type Codes
  - Owner Type Codes
- The first NAUPA Holder Reporting standard was developed in the mid 1990s, providing the first common electronic reporting standard
  - Media supported included floppy disks and magnetic tape

HISTORY OF THE NAUPA FORMAT

- The last major revision, the NAUPA II format, was released in 2003
  - Changes from NAUPA I included adding missing fields, securities and tangible information, and
  - Updated codes were not addressed
- In 2010, the list of recommended property type codes was updated

HISTORY OF THE NAUPA FORMAT

- States have modified the version to fit their own needs
  - Mineral Interest property records
  - Additional fields for ID, date of birth
- Sample File

```
120BB0320720341SD9L&&MNJKMJJABDCFEKONETHERLANDS FAKE BANK WITH MAXIMUM CHARR##########
2000002P HANSON THOMPS                    KEITH SABSTEIN              MILLER
3000002AHARRISON                          CULLEN
600000200178978978970            LOT OF MONEY IS THERE U FORGOT IT
5000003HILLARD
9000014000050000053500000000006700000000000000000007800000000000000900000000054600000
```

WHY CHANGE IS NEEDED

Goal # 3. Revise the standard unclaimed property reporting format

- Outdated: Current NAUPA file is fixed width
- Flexible: Solution that allows new data elements easily
- Custom: States can add their own validation based on a NAUPA standard

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WHY CHANGE IS NEEDED

- We aren't getting the data we need or that companies track

- The world has changed, people have changed, and financial products have changed
  - How to contact people - cell phones, email, less physical mail
  - Manage blockchain products such as BitCoin

- Resolve Data Issues
  - Unicode, embedded characters, increase tracked decimals
  - Report data as it is managed at the holder

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NEW FORMAT

- Data Elements
  - Review all current data elements
  - Add any new needed data elements

- Layout Structure
  - Provides flexibility
  - Proven use

NEW FORMAT – DATA ELEMENTS

- Holder Data
  - DBA Name
  - Foreign Tax Identification Number
  - Payment information
  - Report 'As of' date
  - Full address
  - Parent Company information
  - Third Party Agent information
  - HIPAA indicator
  - Non-remitted property indicator

NEW FORMAT – DATA ELEMENTS

- Property Data
  - Full registration name and information
  - RPO Date
  - Last Contact Date
  - Date of Majority for UGMA/UTMA
  - Due Diligence Mailed Date
  - Mandatory Distribution Date
  - 1099 Issued to Owner indicator
  - Non-remit indicator

NEW FORMAT – DATA ELEMENTS

- Owner Data
  - Allow alpha numeric for foreign postal codes
  - Tax ID Type (SSN, FEIN, Foreign)
  - Driver's License Number
  - Driver's License State
  - Email Address
  - Phone Number
  - Date of Death / Date of Death Indicator
  - Owner Description

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NEW FORMAT – DATA ELEMENTS

- Securities
  - Symbol
  - Allow CUSIP, ISIN, SEDOL securities indicators
  - Increase decimals
  - Securities Paid Through Date

NEW FORMAT – DATA ELEMENTS

- Tangible Property Data
  - Branch information

- Mineral Interest Data
  - Primarily to capture Texas and Oklahoma data elements

- Summary Data
  - Date Report was Prepared

NEW FORMAT – LAYOUT STRUCTURE

- Need a solution that allows new elements to be added easily.

- Need a solution that allows state-specific elements.
  - For example, some states have added Deceased Date, Drivers License Info, e-mail, etc.
  - Some added it to the end of the type 2 record, some used a different record type

- XML and JSON were considered, and group has chosen XML.

NEW FORMAT – LAYOUT STRUCTURE

```xml
<Remittance>
  <Remitter>
    <RemitterName>ABC CPA INC</RemitterName>
    <RemitterAddr1>123 ANY STREET</RemitterAddr1>
    <RemitterCity>NEW YORK</RemitterCity>
    <RemitterState>NY</RemitterState>
  </Remitter>
  <HolderParent name="parent1">
    <Company>ENTERPRISE HOLDING</Company>
    <Addr1>2600 S HANLEY RD</Addr1>
    <City>CLAYTON</City>
    <State>MO</State>
  </HolderParent>
  <Holder parent="parent1">
    <TaxId>123456789</TaxId>
    <TaxExt>0001</TaxExt>
    <Company>NATIONAL CAR RENTAL</Company>
    <Addr1>2600 S HANLEY RD</Addr1>
    <City>CLAYTON</City>
    <State>MO</State>
    <IncorporatedState>MO</IncorporatedState>
    <IncorporatedDate>2008-01-01</IncorporatedDate>
    <FaxNumber/>
    <SICCode/>
    <NAICSCode/>
```

```xml
  </Contact>
  <Report>
    <ReportYear>2018</ReportYear>
    <ReportType>A</ReportType>
    <ReportNumber>1</ReportNumber>
    <Property>
      <HolderAcct>1234</HolderAcct>
      <NAUPACode>AC01</NAUPACode>
      <StartingTransactionDate/>
      <LastActivityDate>2005-01-01</LastActivityDate>
      <Cash>
        <ReportedAmount>100.01</ReportedAmount>
        <DeductionType/>
        <DeductionAmount/>
        <AmountAdvertised/>
        <AdditionType/>
        <AdditionAmount/>
        <DeletionType/>
        <DeletionAmount/>
        <AmountRemitted/>
        <Interest>Y</Interest>
        <InterestRate/>
        <AccountNumber/>
        <CheckNumber/>
        <Description/>
      </Cash>
      <Shares>
```

NEW FORMAT – LAYOUT STRUCTURE

```xml
<Owner>
  <LastName>SMITH</LastName>
  <FirstName>JOHN</FirstName>
  <MiddleName/>
  <Prefix/>
  <Suffix/>
  <Title/>
  <Address1/>
  <Address2/>
  <Address3/>
  <City/>
  <State/>
  <PostalCode/>
  <Country/>
  <TaxId/>
  <TaxIdExt/>
  <DOB>05/16/1970</DOB>
  <OwnerType/>
  <RelationType>AN</RelationType>
</Owner>
```

```xml
<Owner>
  <LastName>SMITH</LastName>
  <FirstName>NANCY</FirstName>
  <MiddleName/>
  <Prefix/>
  <Suffix/>
  <Title/>
  <Address1/>
  <Address2/>
  <Address3/>
  <City/>
  <State/>
  <PostalCode/>
  <Country/>
  <TaxId/>
  <TaxIdExt/>
  <DOB>07/16/1972</DOB>
  <OwnerType/>
  <RelationType>AN</RelationType>
  </Owner>
  </Property>
</Report>
```

NEW FORMAT – LAYOUT STRUCTURE

XSD (XML SCHEMA DEFINITION

- Can be used to apply some validations to the file
  - Numeric/alpha
  - Required fields
  - Ranges
  - Etc
- Each state can have their own XSD to enforce their own required fields, rules, etc

NEW FORMAT – LAYOUT STRUCTURE

XSD EXAMPLE

```xml
<?xml version="1.0" encoding="UTF-8"?>
<xs:schema xmlns:xs="http://www.w3.org/2001/XMLSchema" elementFormDefault="qualified">
  <xs:element name="Remittance">
    <xs:complexType>
      <xs:sequence>
        <xs:element name="Remitter" minOccurs="1">
          <xs:complexType>
            <xs:sequence>
              <xs:element name="RemitterName" type="xs:string"/>
              <xs:element name="RemitterAddr1" type="xs:string"/>
              <xs:element name="RemitterCity" type="xs:string"/>
              <xs:element name="RemitterState" type="xs:string"/>
            </xs:sequence>
          </xs:complexType>
        </xs:element>
        <xs:element name="HolderParent" maxOccurs="unbounded">
          <xs:complexType>
            <xs:sequence>
              <xs:element name="Company" type="xs:string"/>
              <xs:element name="Addr1" type="xs:string"/>
              <xs:element name="City" type="xs:string"/>
              <xs:element name="State" type="xs:string"/>
            </xs:sequence>
            <xs:attribute name="name" type="xs:string"/>
          </xs:complexType>
        </xs:element>
```

NEW FORMAT – LAYOUT STRUCTURE

```xml
<xs:element name="IncorporatedDate" type="xs:date"/>
<xs:element name="FaxNumber"/>
<xs:element name="SICCode"/>
<xs:element name="NAICSCode"/>
<xs:element name="Contact">
  <xs:complexType>
    <xs:sequence>
      <xs:element name="Name"/>
      <xs:element name="Address1"/>
      <xs:element name="Address2"/>
      <xs:element name="Address3"/>
      <xs:element name="City"/>
      <xs:element name="State"/>
      <xs:element name="PostalCode"/>
      <xs:element name="Country"/>
      <xs:element name="TelephoneNumber"/>
      <xs:element name="TelephoneExt"/>
      <xs:element name="Email"/>
      <xs:element name="ContactType">
        <xs:simpleType>
          <xs:restriction base="xs:string">
            <xs:enumeration value="R"/>
            <xs:enumeration value="C"/>
          </xs:restriction>
        </xs:simpleType>
```

IMPLEMENTATION

- NAUPA approves new format
  - Goal is end of the calendar year

- States will decided time frame when they will start accepting the new NAUPA format

- States will decide time frame when they will no longer accept current NAUPA format

NEXT STEPS

- Share with key stakeholders and request feedback
- Finalize data elements
- Finalize XML structure
- Update existing codes as needed
- Build XML layout with Schema (XSD) and share with key stakeholders
- Based on feedback make necessary adjustments
- Send to NAUPA Executive Committee

SUGGESTIONS

- David Milby, Association Director
  - NAUPA@StateTreasurers.org

- John Gabriel, TN - Chair

- Allen Martin, NC – Vice Chair

QUESTIONS